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Contact: Colleen Hiam or
Thomas Pirinelli
(716) 282-4612

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SBA Disaster Relief Surpasses \$300 Million in NYC

NEW YORK – The U.S. Small Business Administration has approved more than \$300 million in disaster loans to over 3,841 New York City residents and businesses following the World Trade Center attacks, SBA Administrator Hector V. Barreto announced today.

“The Small Business Administration is committed to helping the people of New York City rebuild their homes and businesses,” Barreto said. **“We’re proud of what’s been accomplished so far, and we are going to see it through with all New Yorkers.”**

Due to recent legislative changes, businesses may now qualify for loans of up to \$10 million, and a two-year deferment on principal and interest. The interest rate on these loans is capped at 4 percent, with a maximum term of 30 years. In addition, the deadline to apply for SBA disaster loan assistance has been extended to September 30, 2002.

SBA, together with the many organizations that help it deliver its small business assistance programs – including lenders, Small Business Development Centers and SCORE – have teamed up to assist small business recovery in New York.

“These partners are doing outstanding work to help these businesses recover,” Barreto said.

EIDLs make up the majority—80 percent—of the SBA disaster loans approved to small businesses in New York City since September 11. These working capital loans are available to help small companies unable to pay bills or meet normal operating expenses such as payroll or accounts payable and are available for the two-year deferment with no interest accrual during that period.

In addition to EIDLs, businesses of all sizes, nonprofit organizations, homeowners and renters located in the declared disaster areas may be eligible for loans to fund rebuilding efforts, and cover the costs of replacing lost or disaster-damaged personal property. Recent legislation authorizes SBA to make EIDLs to non-profit organizations as well.

For help with the loan application process, visit a disaster recovery center or call 1-800-659-2955. For more information about the SBA's disaster loan program visit the web site at www.sba.gov/disaster.

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